



## *National Association of School Nurses*

### **ISSUE BRIEF**

#### *School Health Nursing Services Role in Health Care*

### **THE ROLE OF THE SCHOOL NURSE IN THIRD PARTY REIMBURSEMENT**

#### **INTRODUCTION**

Children come to school with a variety of health conditions, varying from mild health conditions to multiple, severe health conditions that have a profound and direct impact on their ability to learn. The school nurse plays a vital role in the provision of health care services to children with health conditions in schools. Many school districts are developing Third Party Reimbursement programs in order to support funding for the provision of school nursing services. Nursing service is a reimbursable health care service in home care, hospitals, and other health care settings. It is the belief of the National Association of School Nurses that comparable health care services delivered in school settings should be reimbursed.

#### **BACKGROUND**

##### **Increasing Demands for the Delivery of Health Care Services in Schools**

Factors impacting the increase in the delivery of health care services in schools include:

- Federal legislation addressing health-related services to children and adolescents in school (Section 504, 2005; IDEA, 2004).
- An increase in the number of children with complex health problems.
- Treatment regimens reflecting evidence-based medical practice have changed care and management required during the school day. For instance, type I diabetes now requires closer monitoring and more injections.
- The number of children with asthma is increasing, and the need for intervention and management during the school day is increasing.
- Lack of health insurance coverage results in schools becoming the only source of health care for many children and adolescents.
- An increase in the required number of immunizations for school attendance. Schools may provide immunizations in order to eliminate missed school days and assist children and adolescents to be compliant with the immunization laws.
- An increase in immigration has led to a need for tuberculosis screening and follow-up of positive screening results.
- An increase in children without legal documentation results in barriers to accessing health and dental care.
- Cultural, language, and transportation barriers result in problems navigating a very complex health care system so that children arrive in school with unmet health needs.
- Poverty and the complex variables associated with poverty often delay treatment of health conditions impacting attendance, time on task, and readiness to learn.
- Health disparities for children of color result in unmet health needs.
- Working families with very limited time for clinic appointments result in delays in seeking care.

These factors illustrate the current demands on school systems to provide health care services that are, for the most part, uncompensated by the health care system.

## Reimbursable Health Care Services in Schools

Many health care services delivered in schools are reimbursable. The Centers for Medicare and Medicaid publication, *Medicaid and School Health: A Technical Assistance Guide, August 1997 (The Guide)* (CMS, 1997) describes service categories that could typically be covered by school providers:

- Physicians' Services and medical and surgical services of a dentist (Act, 42 C.F.R. 440.50, 2004)
- Medical or other remedial care provided by licensed practitioners (Act, 42 C.F.R. 440.60, 2004)
- Clinic Services (Act, 42 C.F.R. 440.90, 2004)
- Dental Services (Act, 42 C.F.R. 440.100, 2004)
- Physical, Occupational, Speech Therapy (Act, 42 C.F.R. 440.110, 2004)
- Diagnostic Services (Act, 42 C.F.R. 440.130 (a), 2004)
- Preventive Services (Act, 42 C.F.R. 440.130 (c), 2004)
- Immunization Services (Act, 42 C.F.R. 441.56, 2004)  
The federal Vaccine for Children program provides vaccines for low-income children, and the state Medicaid agency can provide specifics about enrollment in the program.
- Rehabilitative Services (Act, 42 C.F.R. 440.130 (d), 2004)
- Transportation Services (Act, 42 C.F.R. 440.170 (a), 2004)
- Nurse Practitioner Services (Act, 42 C.F.R. 440.166, 2004)
- Private Duty Nursing Services (Act, 42 C.F.R. 440.80, 2004)
- Personal Care Services (Act, 42 C.F.R. 440.167, 2004)
- Medical Services under The Individuals with Disabilities Education Act (IDEA, 2004)

*The Guide* suggests that this list is not all-inclusive and school providers should consult with their state Medicaid agency to identify any additional state requirements.

Since the enactment of the Education for All Handicapped Act in 1975 and the IDEA amendments that followed, children who were at one time institutionalized are mainstreamed into our schools. Students who are in special education have a higher incidence of chronic health conditions, and school districts are providing increased school nursing services. Nursing services must be provided to children who are in special education according to Free Appropriate Public Education. Even though these services must be provided to children at no charge to families, school districts are allowed to bill medical assistance for them.

The Medicare Catastrophic Act of 1988 (CMS, 2004) is an amendment to the Social Security Act that allows for Medicaid payment for medical services provided to children under the Individuals with Disabilities Education Act (IDEA), formerly known as the Education for All Handicapped Act. This amendment was enacted to ensure that Medicaid would cover health-related services provided under IDEA.

The 1997 Reauthorization of IDEA (IDEA, 34 C.F.R. 300.142, 2004) strengthened the expectation that schools work closely with the state Medicaid agency. Since that time, many school districts have developed third party reimbursement programs for health-related services provided to students with Individual Education Program (IEP) plans. State Medicaid agencies provide technical assistance to school districts and should be consulted in regard to state-specific requirements and IEP health-related services covered in the state plan.

IDEA (IDEA, 34 C.F.R. 300.24, 2004) describes related services as transportation and such developmental, corrective, and other supportive services as are required to assist a child with a disability to benefit from special education and includes:

- Audiology
- Counseling
- Early identification and assessment
- Medical services
- Occupational therapy
- Orientation and mobility services

- Parent counseling and training
- Physical therapy
- Psychological services
- Recreation
- Rehabilitative counseling
- School health services
- School social work services
- Speech-language pathology services
- Transportation (such as special or adapted buses, lifts, and ramps)

In the past, school nursing services have been defined under school health services, rather than school nursing services. The Individuals with Disabilities Education Improvement Act (IDEIA) of 2004, Public Law 108-446, signed in December 2004, clearly defines school nursing service as a related service. These services must be provided at no cost to the family. Nursing services that are necessary to assist the student to benefit from their educational plan must be described in the IEP and are reimbursable.

States may differ in coverage of IEP health-related services. It is necessary to consult with the state Medicaid agency regarding covered services.

### **Early and Periodic Screening, Diagnostic, and Treatments Services**

In order for Medicaid to reimburse for health care services provided in schools, the services must be included in the federal Medicaid statute and included in the state's Medicaid plan under the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefits.

Schools may determine that it is beneficial to provide EPSDT services in certain populations in order to address the gaps in health care services. The identification and early treatment of health problems promotes school success by remediation of conditions that interfere with learning and by increasing school attendance and time on task.

Children under the age of 21 are entitled to the mandatory Medicaid EPSDT benefit. *The Guide* (CMS, 2004) states, "EPSDT is Medicaid's comprehensive and preventive children's health care program geared toward early assessment of children's health care needs through periodic examinations. The goal is to assure that health problems are diagnosed and treated as early as possible, before the problems become complex and treatment more costly."

State Medicaid agencies cannot require prior authorization for EPSDT screens (either periodic or interperiodic screens).

### **Required screening components**

1. Screening Services
  - Comprehensive health and developmental history, including assessment of physical and mental health development
  - Comprehensive physical exam
  - Immunizations based on the recommendations of the Advisory Committee on Immunization Practices (ACIP)
  - Laboratory tests, including blood lead
  - Health education and anticipatory guidance
2. Vision Services
3. Dental Services
4. Hearing Services
5. Other necessary health care, diagnostic, and treatment services to correct and ameliorate defects and physical and mental conditions identified during screening services.

## Third Party Reimbursement Requirements

School districts should consult with the state Medicaid agency regarding state-specific requirements for billing. School districts will need to enroll as providers and obtain a provider number. Some states contract with other insurance companies to provide health care services to Medicaid recipients. In these cases, school districts may need to contract with other individual insurance companies in order to be paid for health care services.

## Free Care Rule

*The Guide* (CMS, 2004) indicates that Medicaid funds may not be used to pay for services that are available without charge to everyone in the community. If only Medicaid recipients are billed for the service, the care is considered free, and Medicaid will not reimburse for this service. If the school plans to bill Medicaid students for health care services, then the school must also bill all third party payers, including private insurance and must bill the uninsured. A sliding fee schedule must be established to bill uninsured students.

*The Guide* (CMS, 2004) indicates that there are two exceptions to the free care rule:

1. Services provided under IDEA (IEP Health-Related Services)

Schools may bill Medicaid for IEP Health-Related Services provided to children/students in special education even though these services are provided to non-Medicaid eligible children for free.

2. Services provided under Title V: Maternal Child Health Services Block Grant (MCH)

MCH grants provide financial assistance to states for the provision of health services to mothers, children, and adolescents to reduce infant mortality, disease prevention, and access to health care.

The Free Care Principle has been disputed between the Oklahoma Health Care Authority and the Centers of Medicare and Medicaid (CMS) by the U.S. Department of Health and Human Services Departmental Appeals Board. Centers for Medicare and Medicaid disallowed \$1,902,390 federal financial participation (FFP) claimed by Oklahoma under title XIX of the Social Security Act (Act) for the cost of school-based health services (EPSDT services) provided. CMS disallowed the claims on the grounds that Oklahoma did not seek reimbursement for the cost of EPSDT services for students who were not Medicaid eligible. The U.S. Department of Health and Human Services Departmental Appeals Board reversed this disallowance in full, mainly on the basis that there is no statutory regulation in the Act indicating the Free Care Principle, and that requiring the schools to bill the non-Medicaid students is a barrier to the provision of the EPSDT services (DHHS, 2004).

## Third Party Liability

Schools must meet the federal and state Medicaid requirements for third party liability. Third party liability refers to any individual, entity, or program that is or may be liable to pay all or part of the expenditures for medical assistance furnished under a state plan (Act, 42 C.F.R. 433.136, 2004). If a child/student has Medicaid and another insurance policy, the school must first bill the private insurance (Act, 42 C.F.R. 433.138, 2004). If a denial of payment from the private insurance is received, then, the school can submit a claim to Medicaid.

## RATIONALE

The responsibility of school systems is to provide education to our children. However, in order for children and adolescents to be safe and successful in school, they must first have their health care needs met. In years past, many of the necessary health care services provided to children were provided in medical settings. School nurses are providing many of these same services in school settings. Schools are now a part of the health care delivery system and should be reimbursed accordingly for covered services. It is the belief of the National Association of School Nurses that comparable health care services delivered in school settings should be reimbursed.

## ROLE OF THE SCHOOL NURSE

School nurses know the value of the services that they provide to children and adolescents and must appreciate the value of these services within the context of the health care delivery system. As providers of health care, school nurses must also determine the monetary value of the services that they provide and recognize that many of these health care services are reimbursable.

School districts that increase revenue streams can use these dollars to support the delivery of health services. Quality health care services provided to students can eliminate or reduce the health-related barriers to learning and assist children to be ready to learn and promote academic achievement.

School nurses need to take a leadership role in the development of third party reimbursement programs by:

- Determining if third party reimbursement will be a benefit to their school district by assessing current health care services delivered and the services that are reimbursable in their individual state by a third party payer (Medicaid or private insurance).
- Garnering support from the school board, the administration, and school staff.
- Demonstrating cost benefit to state Medicaid agencies and insurance companies in negotiating contracts with schools.
- Establishing rates based on salaries, benefits, and the costs associated with delivering services.
- Collaborating with other health care disciplines that have reimbursable services, such as physical therapists, occupational therapists, speech therapists, and social workers
- Establishing a documentation system that meets the requirements for third party reimbursement.
- Promoting the quality of services by developing quality reviews and internal audits.

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